

§ 58-10-290. Plan of reorganization.

- (a) A limited application plan of reorganization shall include the following provisions:
 - (1) Establishing a mutual insurance holding company with at least one stock insurance company subsidiary or one intermediary stock holding company with a stock insurance company subsidiary, the shares of which shall be held exclusively by the mutual insurance holding company.
 - (2) Protecting the interests of existing policyholders.
 - (3) Ensuring immediate membership in the mutual insurance holding company of all existing policyholders of the reorganizing domestic mutual insurance company.
 - (4) Describing a plan providing for membership interests of future policyholders.
 - (5) Describing the number of members of the board of directors of the mutual insurance holding company required to be policyholders.
 - (6) Demonstrating that, in the event of proceedings under Article 30 of this Chapter involving a stock insurance company subsidiary of the mutual insurance holding company which resulted from the reorganization of a domestic mutual insurance company, the assets of the mutual insurance holding company will be available to satisfy the policyholder obligations of the stock insurance company.
 - (7) Describing how any accumulation or prospective accumulation of earnings by the mutual insurance holding company in excess of that determined by the board of directors of the mutual insurance holding company to be necessary shall inure to the exclusive benefit of the policyholders of its insurance company subsidiaries who are members.
 - (8) Describing the nature and content of the annual report and financial statement to be sent to each member.
 - (9) Describing any other relevant matters the applicant deems appropriate.
- (b) A standard application plan of reorganization shall include the following provisions:
 - (1) Establishing a mutual insurance holding company with at least one stock insurance company subsidiary or one wholly owned intermediate stock holding company with a stock insurance company subsidiary, the shares of which shall be held exclusively by the wholly owned intermediate holding company.
 - (2) Protecting the interests of existing policyholders.
 - (3) Ensuring immediate membership in the mutual insurance holding company of all existing policyholders of the reorganizing domestic mutual insurance company.
 - (4) Providing for membership interests of future policyholders.
 - (5) Describing the number of members of the board of directors of the mutual insurance holding company required to be policyholders.
 - (6) Demonstrating that, in the event of proceedings under Article 30 of this Chapter involving a stock insurance company subsidiary of the mutual insurance holding company which resulted from the reorganization of a domestic mutual insurance company, the assets of the mutual insurance holding company will be available to satisfy the policyholder obligations of the stock insurance company.
 - (7) Describing how any accumulation or prospective accumulation of earnings by the mutual insurance holding company in excess of that determined by the board of directors of the mutual insurance holding company to be

necessary shall inure to the exclusive benefit of the policyholders of its insurance company subsidiaries who are members.

- (8) Describing the nature and content of the annual report and financial statement to be sent to each member.
 - (9) Describing the applicant's plan for a stock offering in accordance with the provisions of G.S. 58-10-315.
 - (10) Describing any other relevant matters the applicant deems appropriate.
- (c) With regard to either a limited or standard application, the plan of reorganization submitted to the Commissioner shall demonstrate the following:
- (1) Policyholder interests are properly preserved and protected.
 - (2) The plan is fair and equitable to policyholders.
 - (3) The financial condition of the applicant will not be diminished. (2012-161, s. 1.)